CITY COUNCIL AGENDA REPORT



MEETING DATE: JANUARY 20, 2009

ITEM NUMBER: VI-8

SUBJECT: **AUTHORIZE BUDGET ADJUSTMENT TO ACCEPT PROPOSITION 1B**

TRANSPORTATION BOND FUNDING

DATE:

JANUARY 8, 2009

FROM:

PUBLIC SERVICES DEPARTMENT

PRESENTATION BY: PETER NAGHAVI, DIRECTOR, DEPARTMENT OF PUBLIC SERVICES

FOR FURTHER INFORMATION CONTACT: MELANIE EUSTICE, MANAGEMENT ANALYST

(714) 754-5024

RECOMMENDATION:

1. Approve Budget Adjustment #09-021 for \$1,691,864 in Prop. 1B funding and appropriate to Public Services Citywide Residential Street Maintenance Project and Citywide Parkway Maintenance Project.

BACKGROUND:

The Fiscal Year 2008-09 State budget includes \$187 million in Proposition 1B Local Streets and Roads (Prop. 1B) funding provided for cities including Costa Mesa on a first-come, first-served basis. This funding is released by the State Controller's Office following notification from the Department of Finance that the City has submitted a completed plan for the expenditure of these funds.

In order to be eligible to receive this funding, the City must have received its full allocation from the 2007-08 Appropriation and must have reported the progress of its projects to the Department of Finance through the annual update as required by Government Code Section 8879.65 (c). In addition, the City must agree to encumber the new funds from the 2008-09 Appropriation prior to July 1, 2009.

ANALYSIS:

The City of Costa Mesa was allocated \$1,830,475.94 in Prop. 1B funds in FY 2007-2008 and filed the required annual report on November 21, 2008. On January 6, 2009, the City Council approved a plan for use of its requested share of Prop. 1B funding (Attachment 1). The City of Costa Mesa was successful in obtaining the second allocation of Prop 1B funding

The City's FY 2008-09 adopted Capital Improvement Budget included the Citywide Parkway Maintenance Project and the Citywide Street Maintenance Project, which have been identified as the projects that will be funded with the new Prop. 1 B funds. The State requires that Prop. 1B projects must be included in the budget that has been

adopted by the jurisdiction's Council or board at a regular public meeting. The City of Costa Mesa has met this requirement.

ALTERNATIVES CONSIDERED:

The City Council could choose to not approve the Budget Adjustment for the Prop. 1B allocation. However, this would disqualify the City from funding eligibility and would require the funds to be returned.

FISCAL REVIEW:

The attached Budget Adjustment (Attachment 2) will recognize \$1,691,864 in Prop. 1B funding from the State of California Department of Finance for FY 2008-09. \$491.864 will be appropriated to the Citywide Parkway Maintenance Project and \$1,200,000 will be allocated to the Citywide Residential Street Maintenance Project. The funds must be spent within a three-year time frame, which means that all Prop. 1B funds received by the City must be spent by June 30, 2011.

LEGAL REVIEW:

No legal review is required.

CONCLUSION:

The State of California has allocated \$1,691,864 to the City of Costa Mesa in Prop. 1B funds. Staff recommends that the City Council approve the Budget Adjustment to authorize the release of Prop. 1B funds.

ÉTER NAGHAVÍ. DIRECTOR

Department of Public Services

MELANIE EUSTICE

Management Analyst

MARC R. PUCKETT

DISTRIBUTION:

City Manager City Attorney Finance Director City Clerk Staff

ATTACHMENTS:

1 Resolution

2 **Budget Adjustment**

RESOLUTION NO. ____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA TO APPROVE A LIST OF PROJECTS AND ACCEPT PROPOSITION 1B FUNDING FROM THE STATE OF CALIFORNIA DEPARTMENT OF FINANCE TO BE USED ON ELIGIBLE TRANSPORTATION PROJECTS WITHIN THE CITY OF COSTA MESA.

WHEREAS, in FY 2007-08 Proposition 1B Local Streets and Roads (Prop. 1B) provided \$19.925 billion in bond funds for a variety of transportation priorities, including \$2 billion for cities and counties to fund the maintenance and improvement of local transportation facilities; and

WHEREAS, The FY 2008-09 State budget includes \$187 million in Prop. 1B funding provided for cities in the 2008 Budget Act; and

WHEREAS, The City of Costa Mesa expects to receive \$1,691,864 in Prop. 1B funding from the California State Department of Finance; and

WHEREAS, the City Council of the City of Costa Mesa approves the List of Projects that includes a number of projects under the Citywide Parkway Maintenance Project and the Citywide Residential Street Maintenance Project, which are eligible for Prop. 1B funding; and

WHEREAS, the List of Projects includes projects from the Capital Improvement Program Budget for FY 2008-09 that was adopted by City Council on June 19, 2007; and

WHEREAS, the City of Costa Mesa must spend Prop. 1B funds before June 30, 2011 or risk losing the funds.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Costa Mesa hereby approves the List of Projects, which includes projects under the Citywide Parkway Maintenance Project and the City Wide Residential Street Maintenance Project.

BE IT FURTHER RESOLVED that the City of Costa Mesa will accept Prop. 1B funding from the State of California Department of Finance to be used for the aforementioned approved List of Projects, which are eligible transportation projects.

BE IT FURTHER RESOLVED that the City Clerk shall certify to the passage and adoption of the Resolution and it shall thereupon take effect and be in force.

PASSED AND ADOPTED this 6th day of January, 2009

	Allan R. Mansoor, Mayor
ATTEST:	APPROVED AS TO FORM:
Julie Folcik, City Clerk	Kimberly Hall Barlow, City Attorney



COUNTY OF ORANGE) CITY OF COSTA MESA)	ss
CERTIFY that the above and was duly passed and adopte	ty Clerk of the City of Costa Mesa, DO HEREBY of foregoing is the original of Resolution No and ed by the City Council of the City of Costa Mesa at a 6 th day of January, 2009, by the following roll call
AYES: COUNCIL MEN	MBERS:
NOES: COUNCIL MEN	MBERS:
ABSENT: COUNCIL MEN	MBERS:
IN WITNESS WHERE of the City of Costa Mesa this	EOF, I have hereby set my hand and affixed the seal s day of January, 2009.
JULIE FOLCIK	, CITY CLERK

(SEAL)

BUDGE	ET ADJUS	BUDGET ADJUSTMENT AUTHORIZATION	ZATION				, 1		
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CITY		Public Services			Administration	u	09-021	121	
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Heter.	Menartime	Appartment Director		ZO: X		Directo	Director of Finance		Date
					5	City Manager Action:			
Budget Verification:	rification:					☐ Approved ☐ Dis	☐ Disapproved ☐ Not	☐ Not Required	
The above	e information	The above information has been reviewed, is complete and accurate annropriations and/or unappropriated funds are sufficient to support the request.	is complete and ficient to support the	a 5.	and the	#50	Oity Manager		Date
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⊠ Yes	8 □				<u> </u>	City Council Action:	: Disapproved □ Not	☐ Not Required	

ATTACHMENT 2

Date

Budget and Research Officer